



State Representative **Doug Ericksen**



2001 Legislative Report

42nd Legislative District

October 2001

Dear Friends,

It has been quite a roller coaster ride since the 2001 session began in January, and the recent attacks on the United States brought a new perspective to the challenges we faced. As we move forward and begin the difficult healing process, please remember that our national leaders will continue to need our support and prayers.

Although the Legislature was successful in accomplishing a great deal this year, there are indeed issues left unresolved. I entered this legislative session with two guiding principles: protect our quality of life in Whatcom County and protect the taxpayer from government waste and increased taxes.

Transportation provided a great opportunity to both improve our quality of life and decrease government waste. Unfortunately, many in Olympia wanted to only adopt token legislation and create study groups. About the only thing these people did not want to study was the outcome of their proposal: the largest single tax increase in state history. I could not in good conscience support a massive tax increase, without a vote of the people and without fundamental reforms in how we do business.

I remain committed to finding ways to save tax dollars by changing the way government does business so that your families and jobs don't fall victim to irresponsible government spending.

On a positive note, I'm pleased to report that several bills I sponsored to assist struggling farmers were recently signed into law by the governor.

I consider it an honor and a privilege to represent you. Please take a few moments to read through this report on the session. If you have any questions or comments, I encourage you to share your views with me.

Sincerely,

Doug Ericksen
State Representative • 42nd District

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Transportation Efficiencies Take Front Seat

would help get the job done and saving millions of dollars in the process. My goal this session was to find a way to build transportation projects better, faster and at less cost to you, the taxpayer.

The \$9 billion transportation proposal advanced by the governor and House Democrats in the Legislature's third special session focused less on improving how we build and maintain our state highways and instead chose to increase your taxes.

Even if the Legislature had raised your taxes in the last session, I do not believe that major transportation projects would be undertaken or completed. The Legislature must first implement true permit-streamlining reform (which could save over 20% on the cost of major projects), demonstrate a clear intention to build major projects, and prove to me that we are making massive improvements before I will support throwing more of your money at the problem. Often what is lacking in Olympia is not dollars, but leadership and courage from our elected officials.

Even simple, common-sense legislation, like a bill I introduced to allow for increased private-sector supply of passenger-only ferry service, could not get a committee hearing. It is vital that we move past the entrenched positions of those who have been Olympia for far too many years and seek new solutions to long-standing problems.

The transportation plan approved June 21 by the Legislature will do as much as possible with available revenues. I worked hard to ensure funding for Whatcom County's Guide Meridian project was included in the final budget. Unfortunately, at \$3.411 billion this budget does not address the state's long-term transportation needs.

I lobbied hard for a four-point package of efficiencies and reforms to ensure accountability and maximize the efficient use of taxpayer dollars. As the key Republican negotiator, I worked to guarantee the passage of a major element of our transportation efficiency package – streamlining the project permitting process while at the same time protecting our environment. Although I would have preferred stronger language in the final legislation signed by the governor, I believe this is an excellent start. I will

Bringing relief to congested roads and highways is a priority of mine, but not without first adopting cost-saving reforms that

continue to work on this important issue as a member of the Transportation Permit Efficiency and Accountability Committee, which is charged with developing a one-stop process to review transportation projects of statewide significance to streamline and expediting permit decision-making. We will be creating a permitting process that integrates best management practices and environmental standards, the end result being a system that can be applied with certainty, consistency, and the assurance of swift permit action.

We were also successful in adopting "design-build" legislation that will allow the state to contract for engineering services. This will allow a closer connection between designer and builder that will ultimately improve the construction process and the end product.

Unfortunately, there has been no agreement on prevailing-wage reforms or legislation to contract out more work to the private sector using competitive bidding practices. These could save the state taxpayers millions of dollars. I remain committed to adopting these efficiencies when the 2002 Legislature convenes next year.



Rep. Ericksen, vice chairman of the House Transportation Committee, asks a question during public hearing.

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Operating budget sets up state for financial disaster

money we may not have.

Throughout the budget-writing process, House Republicans remained committed to working in a collaborative manner to effectively and responsibly address the state's financial challenges, but when the going got tough, Senate budget negotiators walked away. The Senate's decision to end the budget negotiations was frustrating and counter-productive, to say the least.

We worked hard to create a sensible bipartisan budget. Instead, the 2001-2003 budget spends \$760 million more than expected revenue and ignores the latest report from the state Revenue Forecast Council showing tax collections in the next two years will be down by \$144 million. Bottom line: we were asked to vote on a budget that relies on unreliable assumptions and careless choices.

This budget is a recipe for financial disaster, and, like the ill-conceived budgets in the early '80s and '90s, it repeats the same mistakes. Unfortunately, taxpayers will wind up being the victims.

People all over the state are making sacrifices and hard decisions about their personal finances. I believe the final budget should have incorporated similar standards of responsibility.

Legislature passes compromise energy bill

produced by clean hydro dams is being diverted from rural industries to California and to the growing needs of heavily urbanized areas. This "de-industrializing" of Washington is destroying tens of thousands of high-paying jobs in rural regions throughout the state.

I voted against the state's new \$22.8 billion operating budget, which I view as a "time bomb" that irresponsibly ignores economic realities and sets the stage for a probable tax increase. I could not support an approach to budgeting that recklessly spends



I am fighting to keep our good-paying jobs here. Our quality of life depends upon jobs like those at our mills, refineries, and aluminum plants.



The energy package passed by the Legislature reflects a responsible balance – combining sensible conservation, streamlined siting procedures, financial incentives, and a focus on new power generation. Our energy plan combined with President Bush's energy plan places a strong focus on conservation and renewable energies. In addition, we are now working hard to find ways to convert dairy waste into electricity. This would be a big win for Whatcom County on all fronts. Unfortunately, the bill is only a first step.

The key is more power. It will help bring new power to our region's energy grid by streamlining the permitting process for generating facilities, encouraging direct service industries to build their own on-site power plants, helping older power plants operate for longer periods, and promoting renewable energy sources.

An important element of the bill will speed up the state's energy facility siting process for small- and medium-sized power plants. It also provides large power users, such as aluminum smelters, a tax credit for producing their own electricity with co-generation plants. The measure also offers tax breaks to utilities that participate in energy assistance programs for low-income families.

This won't lower power bills right away. We aren't going to see that happen until power generated in Washington stops going out of state, and the supply available to our utilities increases. It's long overdue, but we've set the stage for a long-term increase in the supply of electricity.

I want to hear your views!

Knowing your views helps me to be an effective legislator. I'd like to hear your thoughts on the issues of importance to you. You may reach me in Olympia at:

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Supporting Family Farms

Whatcom County's economic well-being always has depended on its successful agricultural industry. Sustaining family farms is crucial to the quality of life we value. We must ensure future generations will have the opportunity to remain in the farming industry.

Unfortunately, it's a sad reality that many farmers are struggling to stay in business after paying burdensome and excessive taxes. This session I sponsored several bills to provide family-owned and operated farms with the tools they need to maintain a thriving business. These recently were signed into law:



House Bill 2138 will help the state's dairy industry regain its competitive advantage. It lowers the business and occupation tax rate for manufacturers of dairy products, to make it comparable with the tax rate for processors of other agricultural commodities such as grain, seafood, fruits and vegetables.

Lowering the dairy B&O tax rate could mean the difference as to whether dairy processing firms choose Washington over Oregon as locations for new operations, or whether dairy processors already operating in Washington decide to increase their investments in our state.

In addition, it also exempts poultry farmers from retail sale and use taxes on the purchase of propane or natural gas used to heat chicken houses, and the wood shavings or similar bedding materials. California approved these exemptions two years ago, which has put Washington poultry farmers at a competitive disadvantage.

House Bill 1339 extends B&O tax exemptions to all farmers selling agricultural products, including retail. Prior to its passage, only farmers who sold their products at wholesale were exempt from paying B&O tax. In addition, the exemption is extended to farmers who grow, raise or produce agricultural products owned by others (such as custom feed lot operations).

HB 1906 exempts all machinery and equipment owned by a farmer and used in farming activities from state property taxes.

HB 1984 establishes the Small Farm Direct Marketing Assistance Program within the state Department of Agriculture. Like all businesses, marketing their product can be a daunting job. This program will assist small farms in creating successful consumer marketing programs by identifying and reducing market barriers, serving as a marketing information clearinghouse, developing and submitting grant proposals to boost marketing efforts and developing programs to increase direct marketing opportunities.

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